



**CONTAINER CORPORATION  
OF AMERICA  
CHICAGO, ILLINOIS**



**Annual Report  
FISCAL YEAR ENDING  
DECEMBER 31, 1931**

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OF AMERICA  
CHICAGO, ILLINOIS**



**Annual Report**

**FISCAL YEAR ENDING  
DECEMBER 31, 1931**

**March 3, 1932**

**CONTAINER CORPORATION  
OF AMERICA  
CHICAGO, ILLINOIS**

**March 3, 1932.**

**To the Stockholders of  
Container Corporation of America:**

We are submitting herewith consolidated balance sheet and summary of consolidated profit and loss and surplus accounts of Container Corporation of America and subsidiaries as of December 31, 1931.

The balance sheet exhibits a net working capital of \$2,927,972.18, or a decrease of \$70,888.22 from last year. Cash on hand is \$653,905.60 greater than a year ago, accounts and notes receivable are \$216,436.44 less, inventories were liquidated to the extent of \$826,075.51, and current liabilities reduced by \$317,718.13. The ratio of current assets to current liabilities is 5 to 1 as against 4 to 1 a year ago. The corporation has no bank loans.

Sales of fixed assets including the buildings, machinery and equipment of Fairmont, Huntington and Charleston, West Virginia plants and sales of other miscellaneous fixed assets increased current assets by approximately \$300,000.00. On the other hand, capital expenditures representing additions and

improvements to buildings, machinery and equipment required cash resources of \$146,079.76.

During the year funded indebtedness was decreased by \$574,500.00. Your corporation has sufficient first mortgage bonds in its treasury for 1932 Sinking Fund requirements and for a part of 1933; and sufficient debentures for all Sinking Fund requirements of 1932, 1933, and a part of 1934.

The balance sheet item of deferred charges amounting to \$715,644.70 includes \$511,729.15 of unamortized bond discount and expense, and \$95,842.94 of prepaid insurance.

Tonnage shipped in 1931 was 2.2% less than in 1930, but at very substantially lower prices. The management, realizing that the reduction in selling levels must be accompanied by substantial decrease in operating expenses, effected substantial reductions in the cost of operation in every department of the business. Overhead expense, manufacturing and raw material costs were very greatly reduced. As a result of these economies it was possible for your corporation to maintain its strong financial condition.

The loss for the year was \$686,812.85 after administrative and selling expense, interest, depreciation and extraordinary income and charges; this loss was somewhat less than the provision for depreciation of \$819,979.16. Included in the loss for the year is an approximate \$200,000.00 write-off to bring inventories down to the lower of cost or market and to charge off doubtful and bad accounts.

The immediate outlook indicates somewhat lower volume for the first quarter of 1932 as against 1931, and at materially lower prices. Only in a few instances have prices shown a slight strengthening tendency, which may very well be temporary.

The present profit and loss outlook, however, is distinctly worse than a year ago.

The exceedingly co-operative and courageous attitude of all employees of the corporation in a year filled with hardships and difficulties cannot be praised too highly. The betterment in the corporation's financial position and its greater than anticipated cost reductions are entirely due to their admirable spirit of loyalty and determination.

Respectfully submitted on behalf of the Officers and the Board of Directors.

WALTER P. PAEPCKE,  
*President.*

# CONTAINER CORPORATION AND SUBSIDIARIES

## Consolidated Balance Sheet

### ASSETS

#### Current Assets:

Cash.....	\$ 876,049.80
Accounts and notes receivable less reserves.....	932,857.24
Inventories—certified by the management as to quantities and condition, priced at cost or market, whichever lower.....	1,832,465.87
 Total current assets.....	 \$ 3,641,372.91

OTHER NOTES AND ACCOUNTS.....	92,844.19
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TREASURY STOCK acquired by cancellation of employees' contracts (2,625 shares Class A, and 4,650 shares Class B).....	33,750.00
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#### Plant and Equipment:

At cost based on appraisals at various dates:

Land.....	\$ 3,321,931.60
Buildings including leasehold improvements.....	7,983,604.51
Machinery and equipment.....	12,014,700.84
Furniture and Fixtures.....	61,004.70
 Together.....	 \$23,381,241.65
Less—Reserve for depreciation.....	4,205,821.61
	 19,175,420.04

DEFERRED CHARGES TO FUTURE OPERATIONS.....	715,644.70
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GOODWILL AND PATENTS.....	1.00
Note: Merchandise in transit (\$78,099.01) has not been included in the inventories or in the liabilities.	 \$23,659,032.84

# ATION OF AMERICA RY COMPANIES

meet—December 31, 1931

## LIABILITIES AND NET WORTH

### Current Liabilities:

Accounts payable.....	\$ 300,907.19
Interest, wages, taxes, etc., accrued.....	391,993.54
Current maturities of funded debt of subsidiaries less cash and bonds de- posited with Trustee.....	<u>20,500.00</u>
Total current liabilities.....	\$ 713,400.73

RESERVES FOR CONTINGENCIES..... \$ 101,622.71

### FUNDED OBLIGATIONS (less current matur- ities above and amounts purchased in anticipation of sinking fund require- ments):

Container Corporation of America—	
First mortgage sinking fund 6% bonds, due June 15, 1946.....	\$ 3,831,500.00
Fifteen year 5% debentures, due June 1, 1943.....	4,837,000.00
Dixon Board Mills, Inc.—First mortgage 6% gold bonds.....	266,500.00
Gibraltar Corrugated Paper Com- pany—second mortgage.....	<u>14,125.00</u>
	8,949,125.00

### Net Worth:

#### PREFERRED STOCK—authorized 150,000 shares—

Original series—7% cumulative (sink- ing fund)—issued 25,000 shares; retired 7,000; outstanding 18,000..	\$ 1,800,000.00
Second series—7% cumulative—issued 3,200 shares; in treasury 841; out- standing 2,359 (unpaid dividends on both series accumulated from January 1, 1931).....	235,900.00

#### COMMON STOCK—

*Class A—authorized 2,000,000 shares par value \$20.00—issued 373,555 shares.....	7,471,100.00
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Class B—authorized 1,200,000 shares of no par value—issued 572,402 shares.....	2,890,945.00
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#### Capital and earned surplus (page 7) ..

\*There are outstanding certain stock purchase  
warrants covering options on Class A stock  
at \$30.00 per share, expiring June 1, 1935.

\$12,397,945.00	<u>1,496,939.40</u>	13,894,884.40
		<u>\$23,659,032.84</u>

**CONTAINER CORPORATION  
OF AMERICA  
AND SUBSIDIARY COMPANIES**

**Summary of Consolidated Profit and Loss  
for the Year Ended December 31, 1931**

Particulars	Amount
NET PROFIT from sales after deducting cost of sales including raw materials, labor and overhead (exclusive of depreciation) and selling and administrative expenses.	\$ 483,808.52
DEDUCT—Provision for depreciation.....	819,979.16
Net loss from operations.....	\$ 336,170.64
MISCELLANEOUS INCOME—net.....	8,621.01
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INTEREST CHARGES AND DISCOUNT ON BONDS AND DEBENTURES.....	\$ 327,549.63
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Net loss before extraordinary income and charges.	\$ 580,886.65
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EXTRAORDINARY INCOME:	
Discount on bonds and debentures purchased in anticipation of sinking fund requirements .....	\$ 345,344.25
Discount on preferred stock repurchased .....	6,820.00
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	\$ 352,164.25
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EXTRAORDINARY CHARGES:	
Net loss on fixed assets sold or scrapped.	\$ 52,740.36
Special reorganization expenses.....	50,977.87
Adjustment of 1929 and 1930 real estate taxes.....	26,822.59
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	\$ 130,540.82
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Net loss for the year .....	\$ 686,812.85
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# CONTAINER CORPORATION OF AMERICA AND SUBSIDIARY COMPANIES

## Summary of Consolidated Surplus Accounts for the Year Ended December 31, 1931

### CAPITAL SURPLUS:

Capital surplus arising from reduction of capital.....	\$ 2,671,370.90
Deduct—	
Goodwill and patents written off.....	\$ 1,160,825.03
Organization expense.....	49,735.04
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Balance of capital surplus at December 31, 1931... \$ 1,460,810.83

### EARNED SURPLUS:

Balance at January 1, 1931.....	\$ 722,941.42
Deduct—Net loss for the year as above.	686,812.85
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Balance of earned surplus at December 31, 1931...	36,128.57
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Net surplus balance at December 31, 1931 (page 5)...	<u>\$ 1,496,939.40</u>

**ARTHUR ANDERSEN & Co.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**ONE LA SALLE STREET BUILDING**  
**CHICAGO**

***Auditors' Certificate***

**TO THE PRESIDENT AND BOARD OF DIRECTORS OF  
CONTAINER CORPORATION OF AMERICA:**

We have examined the accounts of CONTAINER CORPORATION OF AMERICA (a Delaware corporation) and its subsidiary companies for the year ended December 31, 1931, and certify that, in our opinion, the accompanying consolidated balance sheet and summary of consolidated profit and loss and surplus accounts fairly present the financial position of the companies and the results of their operations for the year ended that date.

**ARTHUR ANDERSEN & Co.**



Chicago, Illinois,  
February 20, 1932.

# CONTAINER CORPORATION OF AMERICA CHICAGO, ILLINOIS

®

## *Directors*

SEWELL AVERY, *Chicago, Ill.*

WILLIAM R. BASSET, *New York, N. Y.*

F. G. BECKER, *Chicago, Ill.*

HENRY B. CLARK, *Highland Park, Ill.*

WESLEY M. DIXON, *Chicago, Ill.*

GEORGE deB. GREENE, *New York, N. Y.*

EDWARD R. HANKINS, *Chicago, Ill.*

JOHN JACOBS, JR., *Philadelphia, Pa.*

WILLIAM P. JEFFERY, *New York, N. Y.*

GEO. H. MEAD, *Dayton, Ohio*

WALTER P. PAEPCKE, *Chicago, Ill.*

CHARLES WARD SEABURY, *Chicago, Ill.*

®

## *Officers*

### *President*

WALTER P. PAEPCKE

### *Vice-Presidents*

F. G. BECKER

WESLEY M. DIXON

J. J. BROSSARD

E. R. HANKINS

### *Treasurer*

J. L. SCHOOLEY

### *Secretary*

E. A. WAGONSELLER

# CONTAINER CORPORATION OF AMERICA CHICAGO, ILLINOIS

## *Transfer Agent*

FIRST UNION TRUST AND SAVINGS BANK  
Chicago, Ill.

CITY BANK FARMERS TRUST COMPANY  
New York, N. Y.

## *Registrar*

CONTINENTAL ILLINOIS BANK AND TRUST COMPANY  
Chicago, Ill.

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK  
New York, N. Y.

## *Plant Operations Mills*

CHICAGO, ILL. (Two)  
CARTHAGE, IND.  
KOKOMO, IND.

CINCINNATI, OHIO  
CIRCLEVILLE, OHIO  
PHILADELPHIA, PA.

## *Factories*

CHICAGO, ILL. (Two)  
ANDERSON, IND. (Two)  
CLEVELAND, OHIO

CINCINNATI, OHIO  
NATICK, MASS.  
PHILADELPHIA, PA.

## *Branch and Sales Offices*

CHICAGO, ILL.  
LOS ANGELES, CALIF.  
SAN FRANCISCO, CALIF.  
INDIANAPOLIS, IND.  
DETROIT, MICH.  
CLEVELAND, OHIO  
LOUISVILLE, KY.

MINNEAPOLIS, MINN.  
CINCINNATI, OHIO  
PITTSBURGH, PA.  
PHILADELPHIA, PA.  
NEW YORK, N. Y.  
BRIDGEPORT, CONN.  
NATICK, MASS.

WINTER HAVEN, FLA.

## *Subsidiary Companies*

MID-WEST BOX COMPANY  
SEFTON CONTAINER CORPORATION  
DIXON BOARD MILLS, INC.  
CHICAGO MILL PAPER STOCK COMPANY  
PIONEER PAPER STOCK COMPANY